

PROFESSIONAL SERVICES

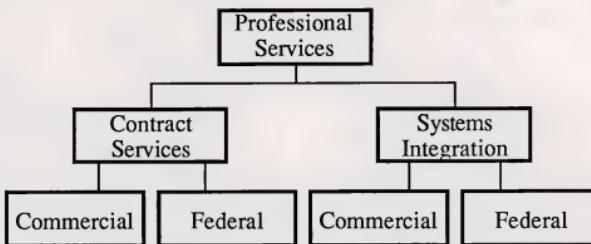
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NOTES:

ADAP-1



Professional Services Market Structure



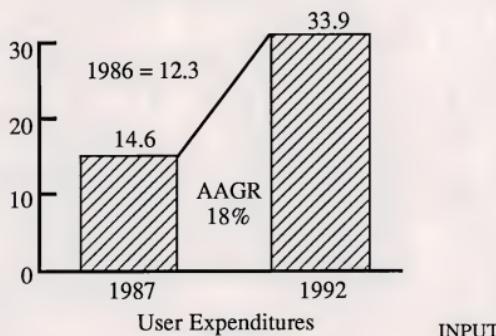
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ADAP-2



Professional Services Market (\$ Billions)

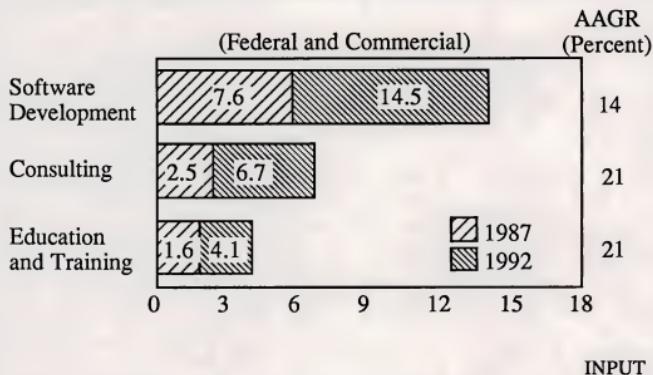


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ADAP-3



Professional Services Market by Mode

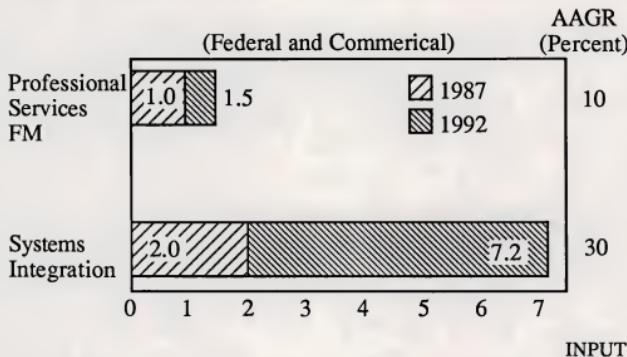


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ADAP-4



Professional Services Market by Mode



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ADAP-5



Professional Services Largest Vendors - 1986

	Revenue (\$ Millions)
IBM	1,495
CSC	614
Arthur Andersen	400
BDM Intl	322
Planning Research	255

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ADAP-6



Professional Services Largest Vendors - 1986

	<u>Revenue (\$ Millions)</u>
UNISYS	241
EDS	241
BBN	170
Logicon	170
TRW	165

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ADAP-7



Systems Integration

“The Provision of a Total Solution
to a Multidisciplinary Information
Systems Requirement”

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ADAP-8



Systems Integration Global Characteristics

- Total Information Systems Solution
of Design to Implementation
- Single-Source Control with Significant
Program Management Responsibility

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ADAP-9a



Systems Integration Global Characteristics

- Single-Source Accountability
- Application of Complex and Multi-disciplinary Tasks

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ADAP-9b



Systems Integration Vendor Characteristics

- Large, Fiscally Responsible
(Smaller can Play too)
- Technologically Advanced
- Innovative
- Network-Based
- Operational Capability

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ADAP-10



Vendor Structuring Strategies

- Establish Influential Relationships with Top Management
- Engender a "Full Service" Image
- Develop and Promote Proprietary Technology

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ADAP-11



Vendor Structuring Strategies

- Develop Project Management Capabilities, Techniques
- Implement Mechanisms to Leverage all Resources
- Identify Required Skill Sets, Staff Organization

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ADAP-11a



Systems Integration Customer Requirements

- Single-Source Solution/Multiple-Invoices OK/Accountability
- Rapid and Cost-Effective Implementation

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NOTES:

ADAP-12a



Systems Integration Customer Requirements

- Applicable Range of Technical Skills
- Reputation—Credibility—Experience

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ADAP-12b



CSI Vendor Selection Criteria

FACTOR	WEIGHT (Percent)
Technical Credibility of the Solution	40
Risk Avoidance	
- Experience/Capabilities	30
- Project Management Approach	10
Cost	20
Service Orientation	Not Scored
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ADAP-13



Forces in Selecting a CSI Approach

- Expertise Is Limited or Experiences Negative
- Single-Source Solution Is Preferred
- Vendor "Partners" are Desired
- Solution Is Not Pre-Conceived
- Consultant Recommends It

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ADAP-14



Systems Integration Characteristics (Future)

- Leading Edge Process Knowledge/Innovation
- Network Integration
- International Scope

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ADAP-15



Systems Integration Characteristics (Future)

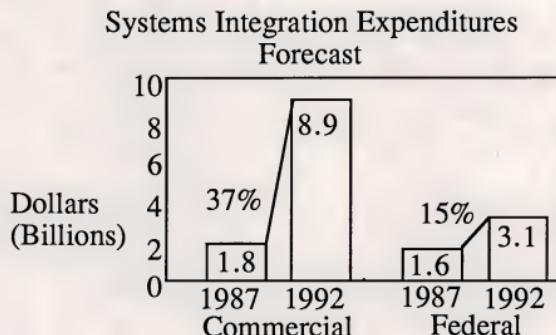
- Financing
- Performance Guarantees
- Industry Knowledge/Track Record

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ADAP-15a





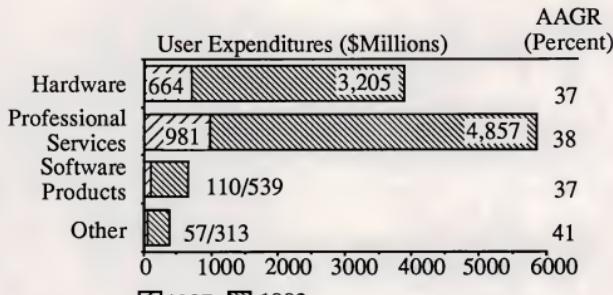
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ADAP-16



Commercial Systems Integration Markets



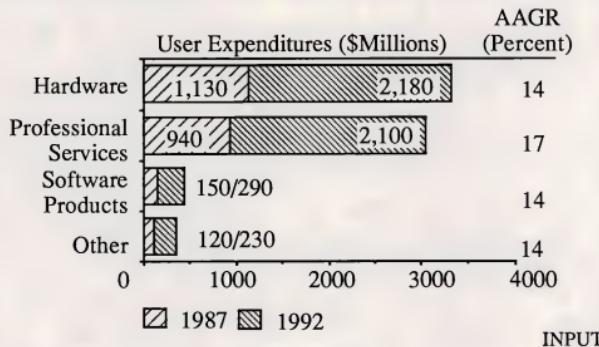
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ADAP-17



Federal Systems Integration Markets



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ADAP-18



Commercial SI Market Share, 1987

Vendor	Market Share	
	Revenue(\$M)	Percent
IBM	375	21
AA + Co.	225	13
EDS	130	7
Control Data	108	6
Total Leading Vendor	838	47

Total Mkt = \$ 1,800 Million

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ADAP-21



SI Total Market Share, 1987

Vendor	Market Share	
	Revenue(\$M)	Percent
IBM	515	15
EDS	450	13
AA + Co	265	8
CSC	195	6
CDC	133	4
Unisys.	95	3
Total Leading Vendors	1,653	49

Total Mkt = \$3,400 Million

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ADAP-22



Federal SI Market Share, 1987

Vendor	Market Share	
	Revenue(\$M)	Percent
EDS	320	20
CSC	185	12
IBM	140	9
MMDS	80	5
BCS	60	4
Total Leading Vendors	785	50

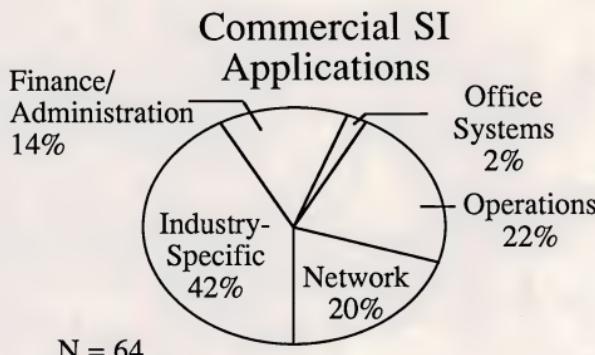
Total Mkt = \$1,600 Million

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ADAP-23



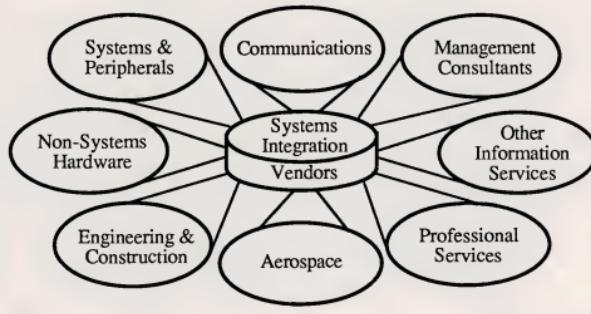


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ADAP-24



Alliances and Competitive Overlap



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ADAP-26



Conclusions

- Overall 'Out Sourcing' will Expand
- Movement to 'Responsibility" will Continue
- Systems Integration will be a Volatile Battleground Among Vendors

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ADAP-28

